

**CRANSTON SCHOOL COMMITTEE SPECIAL PUBLIC WORK SESSION
DECEMBER 4, 2012**

WILLIAM A. BRIGGS BUILDING (REED CONFERENCE ROOM)

845 PARK AVENUE, CRANSTON, RI 02910

EXECUTIVE SESSION: 5:00 P.M.

**PUBLIC WORK SESSION IMMEDIATELY FOLLOWING EXECUTIVE
SESSION**

**PUBLIC MEETING IMMEDIATELY FOLLOWING PUBLIC WORK
SESSION**

MINUTES

A Special Work Session was called to order at 5:00 p.m. on the above date with the following members present: Mr. Lombardi (Chaired the meeting), Mr. Traficante, Mr. Bloom, Mrs. McFarland, and Mrs. Ruggieri. Ms. Iannazzi and Mrs. Culhane were absent with cause.

The meeting was called to order at 5:00 p.m. and convened to Executive Session pursuant to RI State Laws -

1. PL 42-46-5(a)(1) Personnel:

2. PL 42-46-5(a)(2) Collective Bargaining and Litigation:

Call to Order – Public Session was called to order at 5:25 p.m.

The roll was called; a quorum was present. No votes were taken during Executive Session.

Public Work Session

a. Transportation Sub-Committee Report (LINK)

Mr. Lombardi stated: Item 7 on the agenda is Transportation Subcommittee Report which everyone should have from previous meetings and any other pertinent information in relation to this topic. Are there any questions, comments, etc.

Mrs. Ruggieri: If the subcommittee had decided to use figures based on figures that they have already been provided which were several years old at the time; why didn't you go back to use actual figures; there were actual figures available for two of the ten years that you used when coming up with this ten-year...Mr. Bloom asked if there were specifics? Mrs. McFarland noted that there were two years where we had actual numbers and then from there we went on predictions of what the percentage increase cost so over the ten-year period you used some type of calculation figure.

Mr. Bloom: The report that's been issued doesn't have any actual data; there's estimates but what...if you have some specifics then we can

Mr. Balducci: If I could just report, the first year of the report is; and it does say estimated for 2011-2012, it was just a timing of when that

data became available vs. when this report was being discussed at the subcommittee meetings. It was basically just wrapped up with the year 11-12 around September because we had information as far as the results of our predictions. This report has been in the works for quite some time and that was the reason.

Mrs. Ruggieri: One of my biggest issues has been with this is because you so definitively stated that you had \$8.5million in savings and you said it over and over again. You said it in public; you said it in the paper and everywhere else. But, if I went back and I look at some of these figures from this report and what I did is I took the actual figures and then I took your estimated figures and I looked to see what was going on. This is just a couple of lines. If I went by the outside maintenance on page 10; the Internal District Costs; one of the first lines that I actually looked at was the Outside Maintenance. Your estimates were off based on our actual and the estimates are actually higher than what our actuals were. Mr. Bloom, at this time, asked for specifics. Mrs. Ruggieri: From what I was looking at it was #5338960; I will go to our adopted budget and use 2011-12; our adopted budget for that same line was \$86,603. Just going along that path it actually is a reduction of \$438,770 over the ten years; just for that one line. The special ed maintenance is the same thing; it's \$350,660; based on the above I did a couple of other ones; I didn't go through every single line because it became a little bit apparent to me that your estimates were over-estimated. The special ed maintenance is the same kind of thing over 10 years – in addition to that you

guaranteed \$147,000 per year as a tax credit that is not guaranteed anyway. That was just these three lines and if we took that out, which is the \$1.47 million; because when we look back at what the original RFP says they did not....they not only never said that they were going to have a place for us, they actually referenced a place in Warwick that they were going to be using so there was no tax credit guarantee for us. I just used those to start. I look at that and I came up with \$2,259,430 dollars just from three lines. I can move down to Special Ed. Gas and Diesel where your estimate was off by another \$29,000 line #544140; the estimate was \$167,103 and the actual was \$138,976 so there is another \$29,000 which extrapolated out over the 10 years, that's another \$290,000; there was for some reason a \$6,000 increase in driver salaries and a \$13,000 increase for sub drivers as well. In the original proposal they said that they would be removing our maintenance facility to Warwick so there would be no real tax credit. They also pledged to only spend \$3.5 million on a fleet vs. the \$6 million that's been going around. In the original proposal they actually had stated to us several times that they, in fact, may not be able to supply us with new buses during our first year; that they would actually be able to give us what was available. There was no guarantee and I believe their proposal said they wouldn't give us anything older than 7 years.

Mr. Bloom: I'd like to....I think we should....rather than go over all of them, do you think it would be more productive to go one line at a time. I'd like to say this, Janice, and I'm meaning no disrespect but

the result of this report.....this report is not my report; you're directing the questions at me right now not the committee in general. What the objective is here, I believe, is to come to an understanding of what's been put together; buy some common ground and come up with a frame work for making a decision sometime in the next three to four months. Whatever happens, this committee has to make a decision on replacement of the buses. The objective of this report has been to present the information and then be critical of it. I'm not discounting anything that you have to say in terms of what some of these assumptions are and so on and many of those may change. I think we need to haveas each issue is raised, I think it would be more productive to talk about them in specifics; find out where some of the errors are, if there are errors, and if the assumptions are correct or need to be changed then we can change them so that there is a tool to move forward and then go to make a decision.

Mrs. Ruggieri: So I then go back to my original question and that is, and I did direct my original question as to the subcommittee, "why the subcommittee did not decide to use actual figures?"

Mr. Bloom: I think that Mr. Balducci has an answer for you.

Mr. Lombardi: Just so that we're clear and we don't go down a path that we don't want to go down; we have a report of the Subcommittee; we have a Dissenting Report and we're now in a Work Session. The Work Session is to digest this information; to critique it; and then to move forward and then the committee that is sworn in

in January will then take it and decide what they shall do with it.

Mr. Balducci: An earlier version of this analysis actually was prepared when we of the school district were trying to make a determination of whether it was cheaper to outsource transportation or keep it in-house, while at the same time we negotiated with the Laborers' Union. In preparing that report for negotiations purposes and again also making a determination of whether to privatize or not, we had the benefit of several historical years of actual data. I'll point to one of the accounts that Janice referred to; the Outside Maintenance for Regular Transportation. I'm going to read some prior years historical/actual expenditures that we incurred in that area.

For Fiscal year 2005-06 Approximately \$132,000

For Fiscal year 2006-07 “ \$173,000

For Fiscal year 2007-08 “ \$164,000

For Fiscal year 2008-09 “ \$106,000

For Fiscal year 2009-2010 “ \$122,000

Then the following year we had a budgeted figure in this earlier version of \$86,000. When we were attempting, as required by City Council, to do a forecast of 10 years out, basically it didn't make sense to stop with the first year being \$86,000 when historical information clearly proved that we were spending well in excess of \$86,000. When we created year 1; did not have 10-11, 11-12 data to inform me, I had to use a prior years figure so I think the jumping off

point that we used for reporting purposes was the 09-10 actual year which in that particular category we spent \$122,000. If you look and compare that to the 11-12 estimated, again in some categories we just made a blanket 3% increase across the board; but in some of the other areas we actually looked at what we were trending at and then moving forward. That's the case either way you look at this outside transportation. We mentioned gas; we worked....beginning in 05-06 unfortunately we were spending well in excess of the budget figure even for those years and so again when we're looking to project forward 10 years out, it just didn't make sense to start at a lower budgeted figure; it made more sense to start at a historical actual figure and then try to forecast that out.

Mr. Lombardi: It is fair to say, is it not, that you have a basis from a financial reporting standpoint before those estimates but it's also reasonable to assume that based on what Janice has said that those estimates may lead to a different conclusion in the long run. Is that clear to say? Mr. Balducci – Yes it is.

Mr. Lombardi: So this committee isn't looking at an \$8.5 million savings that's rock solid and we're ignoring it. We're not doing that, right, for purposes of.....

Mrs. Ruggieri: In that instance, I think that that's where I really think that the public has already been mislead. That is, to be honest with you, something that I find concerning as we're moving forward with

this because that \$8.5 million was in very clear language several times stated as fact; not as possible or as estimated savings or based on estimated figures or anything else like that. It was stated several times by several different people in different areas that we were ignoring an \$8.5 million potential savings. When I look at this and I say I have concerns and these are some of my concerns...I keep a lot of things and one of the things that I have is from May of 2011 and that's all of those figures that Joe was just reading from 2005 projected out to 2016. I have all of those and that's when I started looking against this and then against our budget. When I see this, I see this as a concern because I think when we start off with the perception that has been made that we are ignoring \$8.5 million savings...they think that as a School Committee we need to make sure moving forward that the understanding is that that \$8.5 million is not an actual figure. I think that that's one of my larger problems with this report.

Mrs. McFarland: I just want to say that we did ask. Some of the meetings that I chaired I did ask Joe to report out those numbers over a period of time before they ended up in the final report. We never came up with a conclusion; those are not administrative numbers. Those are numbers that Steve provided to the committee.

Mr. Bloom: No, none of these numbers are numbers that I presented to the committee. These are the consensus of the committee. All of the numbers...I believe that Joe and the administration have

ownership for those numbers that we have all been looking at. Anything that I prepared and put together was put in front of Mr. Balducci for his acceptance.

Mrs. McFarland: But it was a document that you provided early on.....We went over that; we never had a committee meeting after that; we never came back as a committee where we called another meeting...The final meeting

At this time a discussion ensued.

Mr. Bloom: When those numbers were finally complete and presented to this committee they were first presented in mid July and July 21st for acceptance by the committee.

There was a quorum that was here and there were of the seven members...of the ten members of the committee there were 7 that voted to accept those numbers as prepared.

Mr. Lombardi: Let the record reflect that there was a 6 to 1 vote on that evening. Mr. Jordan had dissented and comeMr. Bloom: That vote was a 7 to 1. That was the one that you were present with thisIt's important to make this point. This report went through two fazes: In July the financial information was presented to the subcommittee for vote. There were 8 people that were present at that and it was a 7 to 1 vote with the dissent being Mr. Jordan. There was no report at that point in time.

Mr. Lombardi: Let me just clarify...7 to 1 vote that was the best information available. It wasn't intended to be or purported to be, at that time....It was intended to be the best....

Mr. Bloom: What has been created is a format for discussion but at that July meeting the numbers were presented to the committee for acceptance; the numbers as prepared by Mr. Balducci with comments from everybody including Mr. Jordan. There were a lot of issues that were raised at the June meeting. There were some adjustments made by....you were not at the June meeting in 2012.

Mr. Lombardi: It is irrelevant who was there. There's a report folks; let's bring this to conclusion. There was a report and the report was presented as the best evidence that Joe could generate. The majority of the committee approved it as the best as evidence. Then it got politicized. I'm talking about my opponent; my opponent politicized it and made it appear as if the \$8.5 million was written in stone and that I was ignoring it and I was doing all that.

Mrs. Ruggieri: It's not only that; it's actually in this report that it says, "the conclusions are for savings....."

Mr. Bloom: This report was prepared; the financial information was complete. Mr. Balducci issued a memo on around June 10 or 12 addressing many of the concerns that Arthur had raised in the June

meeting. Many of those have been incorporated and the numbers were finalized and it was presented to the committee to accept those numbers. The committee met and those numbers were accepted as the best..... That financial information was then distributed to all of the other School Committee Members who were not on the subcommittee so that they would be apprised of what the situation was. That information was sent to you, Janice. That July, information which is just this financial document that's attached, was distributed in July. In August we planned to meet....The meeting was scheduled for July; it got cancelled for a rain storm. The financial information was accepted in August based upon the July memo and distributed and then at the end of September we met to adopt this particular report. That was a 6-1 vote.

Mr. Lombardi: We set a deadline to allow to get the majority report and then to have a dissenting report in and we received both.

Mr. Lombardi asked the committee if anybody had a problem with Mr. Jordan speaking at this work session. There being no problem, Mr. Jordan spoke on this issue.

Mr. Jordan: I was at that meeting and after a large discussion I believe Mr. Votto intervened because there was some discussion; we were discussing how he came to this figure or that figure; exactly what you're doing here tonight. The Superintendent brought up some concerns and to expedite things, it was basically Mr. Votto intervened and said, "Look, we're not making any recommendation on this; this

is just to put it up for the committee for them to do their own study of this and look it over". That's how it ended.

Mr. Bloom: You're right; Mr. Votto stepped forward and suggested that we're not going to make the decision but let's present something so that there can then be a debate. I only have one other comment to address and to add a couple of things to what Joe had to say relative to these estimated numbers and what the adopted budgets were; this was the report that we received as of June 30. The Special Education Outside Maintenance was under budgeted \$109,000. Gasoline and Transportation was under budgeted \$107,000, the Regular Supplies and Materials were under budgeted \$35,000. I think that what Joe was trying to do and why none of these estimated numbers were challenged is because they looked reasonable and were consistent with where things were. Let me just add one thing. The issue that Janice is raising is a serious one and it's going to be important for this committee to choose good numbers. I think that Joe has chosen good numbers but here's what's going to happen. If the numbers are low within the District, that favors or what it's going to do is it's going make it look like it's better to leave things in-house. If they're high, it does the same thing. Choosing a good number is going to be very difficult for this committee because it has political ramifications in terms of the decision. I think we're all in agreement on that but what is going to have to be done is a number chosen that ...it means that whatever is chosen on the in-house side, the committee needs to be prepared to live with that. What it means is that going over budget is

not something that's acceptable because what we're really doing then is making a bad decision about what to do. The same thing is true the other way but in both cases this committee is not going to know whetherit will know if it goes over budget; if it was an under budget number, which would make it lookIf a committee makes estimates that are low on the in-house numbers and makes it more favorable to look at an in house alternative and we go over budget, we're going to know that we may not have done the best thing for everybody involved. If it's high, we've done a disservice to our bargaining group. It's going to be important to come up with a number that is as reflective and as good an estimate that can be made and what that means is we're going to have to look at the actuals and we should be doing something that's reasonably expeditious because that's what we're doing right now.

Mrs. McFarland: Has the City Council voted on this as well? Have they accepted the report?

Mr. Lombardi: No because all that is, is a subcommittee report. This School Committee has to undertake its task of approving or disapproving or doing what it has to do.

Mrs. McFarland: Well, my next question would be....my problem is that even going any further and talking about this and moving through an RFP process is the fact that the City side never did what they were supposed to do. They were supposed to actually talk about

putting a bond referendum out to ask voters in this City whether or not they were interested in purchasing a new fleet. They never did it. They never took their responsibility serious enough on this committee and they voted without understanding that they had a job to do as well. They wanted a 10-year outlay; they wanted to have information that would determine what the cost would be over a 10-year period but all along, from day one when we set up this subcommittee from both sides where some of the council people never came to any meetings at all and showed up at the end, they never did their responsibility. They were supposed to look at whether or not the capital improvement line-item would be a possibility by going out and asking for a bond referendum. They never did that! We're still sitting in the same place that we sat in a year ago. As far as I'm concerned, we still need a bond referendum asking the voters whether or not they want to own their fleet of busing in this City. They never did that. At the City we have still not asked the voters whether or not this is what they wanted us to move ahead and do.

Mrs. Ruggieri: I smile because when this whole thing started, even before the subcommittee got started, we had three sets of numbers and the first thing I said to the people on this subcommittee that first night, I said, "we have three sets of numbers; we have the School Department's numbers; we have the union auditor's numbers and quite frankly I thought those were actually pretty good because you could explain all of them as we sat through all of the negotiation meetings and everything and then we had First Students' numbers.

So we had three sets of numbers at the end of all of this and I said at that time, go through those recess numbers and come up with something that is real. Now, two years later, we got to go back and do the same thing again. It's crazy to meI asked you...you also had three sets of data from the original RFP that went out that it looked like you ignored completely and some of them were pretty close to being a better estimate than what came out because when I look at this estimate and I look at these things and I say that the numbers are really off and they're never offyou want to talk about being under estimated or over estimated; the ones that I looked at were all over estimated. I know that there's an explanation for that and that makes sense. In what way does anyone coming in here have a chance to make any effort to make any kind of counter offer or any kind of anything else because the numbers don't add up still. I look at it and I say that when we started this whole thing, which was the problem. We had three sets of numbers. Now we have one set of numbers that still don't make a lot of sense and there are still a lot of questions. The answer to you, the Mayor and several times now have said that he would not support any bonds for any type of transportation for school buses. I'm not sure why he'll do it for other forms of transportation within the City but he very clearly said to me specifically when this whole thing first started, I called him and I asked him directly and he specifically said to me and I can't imagine his mind has changed but that wasn't an option.

Mr. Bloom: I'll address both of them. First of all, Paula, in regards to

the bond issue and it's explained in the report; the proposal that's on the table right now to replace the fleet which Joel prepared for which there is a second document in there is premised on purchasing used buses between 5-7 years with 50-70,000 miles. That was presented to the City and Mr. Strom spoke with the underwriters for bonds for this particular issue and 10 year bonds are not available to purchase used equipment that's 5-7 years old for a 7 year life span.

Mrs. McFarland: I get that. I served on the City Council where we bought many fire trucks, many police vehicles and they also have an expectancy of a life expand as well. You have to still ask the voters. I'm not asking the voters to buy used equipment; we asked Joel but we're not betting two different circumstances. Well, you can sell bonds for new buses. The City Council never took it up. Bob Strom isn't the City Council.

Mr. Bloom: If the underwriters aren't going to underwrite it for the equipment. If they approve a bond and they can't sell it, it doesn't matter.

Mr. Bloom: Here's what I would suggest then; I'm just going to make a recommendation because, Paula, yes we're now 12 months later; then write a proposal and get them to act on it because it's not there. Having the borrowing authority to go to market and get it and sell a bond doesn't mean you can get it. If that's the path that you want to pursue, then you can certainly try to do that. It has been discussed

and the answer that's coming back, not from Mr. Strom, but from the underwriters through Mr. Balducci who I thinkfor used vehicles; what I would certainly recommend that you do before going down that step is Joel has made a specific recommendation for used vehicles for a particular reason because they're less expensive. That can be done. We pursued the alternative that our transportation director has made the recommendation that makes the most sense for us to pursue. What we have been told is it doesn't matter what the City Council does, we can't sell the bonds.

Mrs. McFarland: Where's the funding source for these; replacement of the vehicles.

Mr. Bloom: That has to come out of our operating budget; that's what has to happen. They would be leased; the underwriters are willing to underwrite 5-7 year old vehicles over a three year period and they are willing to do that; the only difference between the bond and a lease is going to be where that money shows up. The money is still going to have to be paid for. If it's a longer term then it may have a lesser impact on the City's Annual budget but one way or another it will have to be paid for. It will either show up on the City's books as a Municipal Indebtedness and being paid in that way or it will show up as an operating lease. What has been communicated to this committee on several occasions, Mr. Strom came to one of the meetings and told us that underwriting of the bond, the actual sale for a 10 year bond is not possible under the used equipment.

Mr. Lombardi: Joel, how much is a new large bus? **Joel:** Between \$70,000 and \$75,000 dollars. **Mr. Lombardi:** So the number based on your proposal ofseveral people were talking at once regarding the cost of 48 new buses, etc.

A lengthy discussion ensued regarding this issue.

Mr. Lombardi: We're in a work session so we're not going to make any recommendations; we're talking about these issues. Is this on the agenda for tomorrow night. (Only the tabled resolution is on for tomorrow night)

Mr. Bloom: Currently, the buses are in the report at about \$32,000 increasing a little bit in subsequent years because there are delays; a new bus would be a little bit more than doubled the cost of the bus but potentially lengthen the period. What certainly be done....Joe, could you talk to Mr. Strom tomorrow and see what the term would be on financing new buses; new equipment.

Mr. Lombardi: Let me just follow-up; obviously I remember way back when the difference between \$3.2 million fleet from First Student and a \$6 million fleet from First Student. If it's the latter and not the former then we've got to compare oranges to oranges; so if you have \$3.36 million bond to float on 48 large buses then it puts us in a situation of leasing and owning. **Mrs. McFarland** stated that the

scenario is the same if you go with the privatization of a company; the company's going to do the same exact thing.

Mrs. Ruggieri: I would like go back to First Student's original proposal and their investment; and it says, "First Student will spend \$3.5 million on fleet; 28 mini-buses (2012) model; 49 recent model; no older than 2006; so you're still talking about buses that are 6-7 years old already. NowEleven mini-buses from the current fleet which were 2003; this was their proposal to us the first time around. I'm not really sure where the \$6 million came in. It also says in here; property taxes and they estimated \$100,000 a year and that wasI'm not even sure where that came from. That was in their presentation but they also had some of their storage in Warwick. When we talk about their investment of \$3.5 million, we're talking about an investment and their proposed investment cost was used buses and not new buses. They said that they couldn't guarantee new buses and they were never going to be able to guarantee new buses; it was based on availability. What they offered us at the time, even though the first time they talked to us they talked to us about brand new buses, and then when they came back to us all of a sudden it was that they weren't brand new now. I want to make sure that when I look at this and I say your cost savings which is your first line in this subcommittee report...\$8.5 million dollar savings is the conclusion of this report and then it says \$6 million in savings over 10 years in capital cost. Again, I'm going back to saying that these weren't written like they're written in stone; when we come back and we say

that First Student actually came back to us with a different figure, first time they spoke to us vs. the second time they spoke to us. They are not proposing buying us new buses.

Mr. Bloom: I have three meetings left so I'm couching some things here as a recommendation having spent 18 months on this on how this committee should be moving forward with this. The numbers that we're working with for the transportation supplier are the low bidder which in this particular case was First Student. We're going to go back out for RFP; we have to go back out for RFP and so that RFP should document or should address any concerns that we have and what's going to happen is that those numbers are going to change. It doesn't matter going forward, what the third party suppliers are going to bid; they are going to bid and the important issue is not political and frankly if the report is never adopted, that's ok. It won't change anything; this committee still has to make a decision on what to do. The more relevant issues to be discussing is how to have a framework so that a decision can be made and it be a good one. It's important and it's an issue that Mr. Jordan raised: Is everything included in the numbers for First Student. There were a lot of discussions in June; there were even more issues that were raised and things that were over-looked and Mr. Balducci included those numbers in there. I think; I believe that the numbers are pretty close and include all of the runs and everything that are supposed to be included. Those will be bedded again; but those numbers for First Student; the age of the fleet; all of those we can make changes to.

They did what we told them to and we now have the chance to update an RFP so that it is more reflective of what we think is appropriate or for that matter to give them an option to do something different because the other RFP didn't provide for them to have an option to do something differently.

Mrs. McFarland: Let me just add that I do agree with you on that note. I agree with you on several fronts on that note; first they're not bused in our City so we get no tax revenue from it. A discussion ensued regarding where they would keep buses, etc.

Mr. Bloom: Mr. Strom is the one who prepared the estimate for the revenue and if it's not agreed perhaps what we should be doing then is to ask them to disclose in their RFP what they have estimated for tax revenue.

Mrs. McFarland: No, I would ask them to disclose in their RFP the location where they will be housing any buses; any RFP that comes in, they should give us the location, the address and then show us on the tax rolls that they are actually ownership of that building and who owns it and what the tax revenue is.

Mr. Bloom: It will be part of the contract. Those are the easy issues to address.

Mrs. McFarland: My other question is the equipment that they were

going to use that was owned by the School Department at no cost.

Mr. Bloom: I know what you're saying. Mr. Jordan did a service for us; he raised a lot of issues that were never raised; the original RFP talked nothing about garaging vehicles near Park View Middle School; that was actually part of the proposal from First Student. If those are things that we wish to offer to our supplier because it may make logistical sense to do that, then we should include it in the RFP which if having looked at the two, the new RFP that was just included in this packet, actually includes language to do that. Excludes the radios that was issued; instead of negotiating a selling price for the vehicles they need to offer it up front. It includes language to address things with the parking at Park View Middle School. The RFP has, at least this new draft, includes language to address many of those issues that came up but I will say this, most of the things that you're raising right now are contractual issues that are not difficult to address in bringing this to a conclusion. When I say to a "conclusion" I'm not saying which way, but to the point where all of these issues are addressed and we can make a decision.

Mrs. Ruggieri: Can I ask why the subcommittee decided not to use any forecast for union concessions? Union concessions were actually forecast in the original analysis.

Mr. Balducci: Giving that we were.... **Mr. Votto:** We were concerned about unfair labor practices if we would go out publically with any

information that would obviously be deemed forcing....Mr. Bloom noted that there are some that are forecasted going forward. There are ones that are contractual now like increases in cost sharing; plan design changes and turn over. Mr. Balducci noted that everything will remain for future negotiations.

Mrs. Ruggieri: I'll go back to page 13; School Department Coordinator; and School District Internal? What is a School Department Coordinator? Who is this person and is this the pay scale that is done in other districts?

Mr. Balducci: Again, we felt we would have to have a liaison between the District and the third party vendor. We have assigned a cost of \$20,000 for that position.

Mrs. Ruggieri: According to First Student, they're going to service Cranston Public Schools operations with a manager, two dispatchers, a router in place for the second year, maintenance staff and a safety coordinator. I don't know what the costs are attached to those personnel and I don't see anywhere something about a School Department Coordinator.

Mr. Balducci: The positions you just identified would be part of the cost that we incur; the cost that First Student charges us. I think it is approximately \$250/day or whatever the value of a run built into that cost would be for them to then be able to hire a Transportation

Director, etc.

Mr. Bloom: It's part of their overhead for running their business and it's built into the rates that they're charging us.

Mrs. Ruggieri: So I'm looking at this and I'm seeing that they are one manager, two dispatchers, router, maintenance staff and safety coordinator so I'm looking at that and saying that's like seven people to do the job right now thatin addition to now adding a School Department coordinator. I'm looking at that and thinking we're actually increasing staff.

Mr. Balducci explained this issue in another district to the committee.

Mr. Zisseron: You're all going around in an area that you really don't know, with all due respect to all of you, not that I'm an expert. You're not going to get a coordinator to work for the Cranston Public Schools for \$20,000-\$25,000. You are operating 80 buses a day. You're busing roughly 48-49% of the population. You have no idea and you shouldn't. You have no idea of the problems on a day-to-day basis. I talked to Steve O'hara in Warwick. Steve and I have been friends for a long time. You still need a liaison. Call it whatever you want but this person is going to be dealing with parents, schools, kids, principals, school committee, trips, scheduling, contractor's schedules. I estimate that number to be approximately \$65,000. You

have a big time operation here. It's not Coventry.

Mrs. Ruggieri: I guess that leads me to....I look at some of the costs and the provider costs are increasing for some reason. Maintenance expenses are being reduced by 15%. Your trips and gas prices....gas prices should be increasing which they weren't which is odd and then your mileage for trips was increasing every year and there's no....mileage costs and trip costs are increased every year (Page 15). Your trip cost per mile increased every year but within that same....you have a 15% decrease in fuel costs on page 8 and then you have a 15% decrease in some other costs which is kind of weird.

Mr. Bloom: First Student has.... they have costs that they're anticipating are going to increase every year. Those are going to be contractual. If the School Committee enters into a contract it's going to define the specific costs over the period of the contract. They're just forecastingbecause trip costs per mile has wages built into it, consumables, supplies, things like that as well as gasoline.

Mrs. Ruggieri: But if you're reducing fuel costs by 15%A discussion ensued between Mr. Bloom and Mrs. Ruggieri at this time regarding this issue, with Mr. Bloom stating that there are fuel and maintenance cost savings that are being recognized on the in-house side based upon replacement of the fleet with newer vehicles so we should have better fuel economy and lower maintenance costs because the age of the fleet would be halved over time.

Mr. Zisseron: In regards to field trips, that's an area that we really don't have a good pulse on. A school field trip is paid by the school. There are payroll taxes on it. They are paying now a gas charge because when the gas prices went up, we do a flat rate depending on where they are going. Now we're generating monies toward gas because of what the prices have been over the past couple of years. That's on the field trip side. Sports are a Fund 1. Under this new accounting system you don't see it. We used to have the East Sport Trip/West Sport Trip and it showed you what the cost was for that trip, dollar wise, and payroll. That's an area that's reallytaking kids to school and from school; that's pretty in place.

Mr. Lombardi: The question is, "Is it reasonable to take the assumption that newer buses would be more fuel efficient and therefore you could take a 15% reduction. Mr. Zisseron answered "yes" and also a 14% in maintenance too.

Mrs. McFarland: Joel, then if the final report given to the subcommittee came from the School Department; prepared by the School Department and submitted to for final approval at the meeting, did you read it and did you agree with it? Did you submit any questionable areas that you found in that report that you feel that are not accurate?

Mr. Zisseron: I voiced my opinion; yes I did at the meetings. I think

if you read the minutes of the last meeting you'll see a lot of dialog between Mr. Bloom and I. Mr. Bloom noted that his biggest concern and he agreed with what he is saying, is that forecasting out 10 years is very difficult but that's what they were asked to do.

Mrs. McFarland: Ok, so if we were asked to do that, obviously the City Council didn't adhere to what we asked of them before we even decided to make a subcommittee, they asked us to do a 10-year outlook. That Council is going to be gone. Most all of them are gone.

The point is they've gone; the new people are going to ask all of these questions all over again. My point to Joel is should we be forecasting a more realistic time frame. Is it 5 years instead?
(Everyone started talking at the same time)

Mr. Zisseron: Ten years is much too far out. You can't predict what's going to happen in 10 years. Five years is more reasonable. You can see better figures in five years. Mrs. McFarland asked if we should come back and be more realistic about what the needs are of the school. Mr. Lombardi noted he also said it in the beginning that 10 years is absurd.

Mrs. McFarland: That was driven by the Council President, Lupino, who made that resolution and asked us to do that. I'm asking the administration...Joel's telling me that it is unrealistic. I feel with committee members here that it's unrealistic. We've said that right from the beginning that we thought trying to determine what our

school population will look like; what our needs for the school will look like in the future is unrealistic so maybe we should look more at some of those line-items and really project where we think our schools are going to be in five years.

Mr. Zisseron: For example, if it's mandatory to go All Day Kindergarten, not only do you have to find roughly 20 additional classrooms but you're going to be putting out there 15 additional buses.

Mr. Bloom: We're talking about a lot of different issues that from the standpoint of trying to make a decision, it will be helpful to separate them. We put together an analysis here that was predicated on ten years. The assumptions in terms of year to year increases and forecasts are valid whether it's for five years or for ten years. We can talk about whether or not there's going to be full day kindergarten but we can't make a decision based upon that. If we have to change everything and makeit's a different decision that we're trying to consider. This analysis is reasonable for a five year period; it's very simple; you just cut off the last five years. Everything else is consistent. The bus purchases are consistent, the contracts, as a matter of fact all the numbers will become more concrete and then we can make a decision within a five year period. It's not a whole new question; it's not something that's going to complicate things.

Mrs. McFarland: I think it's a whole new question because we have

people that have been re-elected or newly elected who are going to question that document whether you or I are here or not. If they are new they're going to question it; they're going to come back with their rational and you have a Senator; two Senators, who are going to go up to the Senate and we have representatives on the side who are going to advocate that we have full day kindergarten. They are going to push, push, and push until it happens. They are there to do that work. So we need buy-in from a brand new council. We have scenarios that are taking place at the Senate level.

Mr. Bloom: You're making it sound like this is something that is complicated to deal with and it's not. You have the information that's consistent.

Mrs. McFarland: Buy-in has to come from the people who are elected not from the people who are not. The buy-in is that the City Council is brand new.

Mr. Bloom: I'm not disagreeing with you but you make it sound like this is a....there is no subcommittee any more. The subcommittee did its task.

Mrs. Ruggieri: I disagree that this subcommittee did its job and I think I've been clear about that from the very beginning because it took way too long to come back with numbers that are this many years old to run this report and if at the very beginning it was

recognized by members of the subcommittee that you were going down a path that made no sense because 10 years is too long and also you were using numbers that were irrelevant or a best guess estimate versus things that might have been a little clearer; at that point that subcommittee should have stopped. You should have focused on alternative offerings to the City Council, the subcommittee and the City. That is my kind of rebuttal to this report. The other thing I'm going to ask is who did the significant investigative effort to uncover possible grants? Which member on the subcommittee did not. Mrs. McFarland and Mr. Bloom noted that they both did look at grants and there was nothing that they were eligible for.

Mr. Lombardi: I just did a little math to answer Paula's statement; from a City Council standpoint, we've lost all of the City-wide people. There are five new members of the council so the majority of the Council is new. The only ones remaining are Councilman Stycos, Councilman Archetto, Councilman SantaMaria, and Councilman Favicchio. Of the School Committee, Steve and I are leaving, Andrea and Traf are remaining but they're recused so there are only three more people that have history.

This is wonderful resource but there is no reason to leap into something out of deference to Mr. Gale and Mr. Colford and out of deference of the new City Council. I think that this dialog will be part of the record; I think it's going to be a wonderful dialog; tomorrow

night might be a further dialog; I don't know. Then you move forward. We have one meeting after this tomorrow and Monday.

Mr. Bloom: One of the documents that was in tonight's package is an updated RFP. I believe this has been updated to include some of the information from the meeting.

Mrs. Ruggieri: But again, if you go back to this RFP, and I'm going to read you this language.....Page 12; it's the same thing. "No bus will be in excess of 10 years old but it shouldn't be any older than 7 years old". They're looking at the first year of the contract at all buses to be 2003 or newer? I'm going back to when the subcommittee handed out this report and to me when these figures come out and they came out the way that they did, they came out as though they were set in stone and so then we come back with another; a second round for an RFP or a draft of an RFP with different language so you're still talking about.....

Mr. Bloom: That's fine. You can sit here at the meeting and take exception to everything; there are many things in here that are different. The point is what does the School Committee want to do about this? The clock is ticking.

Mrs. McFarland: I would like to bed it with a new group of people and I would like to spend some time with the reports and the bid process and the bid documents and match them up.

Mr. Bloom: It would be my suggestion that the committee come to a deadline to do that because we're not going to be in a position to do anything.

Mrs. McFarland: My comment to that is if people showed up because I did chair meetings where people didn't show up and we sat here and we had to leave. I can't be at every single meeting but I chaired many of them.

Mr. Bloom: We had no meeting when you were the Chair from January 4th until.....Mrs. McFarland noted that she was never the chair; she would take meetings when they were called by School Committee Member Lombardi called the meeting and if he could not attend he asked me to fill in to chair those meetings.

A lengthy discussion regarding this issue ensued.

Mr. Bloom: I would like to make a recommendation that we agree to have this RFP complete by a particular date and I would suggest before January 15th so that it is available to be submitted to bidders so that this committee is in a position to do something because last time what happened is.....

Mr. Lombardi: This is a recommendation by Mr. Bloom to have this RFP finalized. What that School Committee member does with that

RFP at that point is that School Committee's prerogative at that point.

It's a recommendation; we can't make a motion tonight; we can't approve anything tonight; we're just discussing. We've hashed out a lot of problems with issues with numbers. Mrs. McFarland questions who will do that by January 15th? Mr. Lombardi: That's a recommendation; when is that Resolution going to be put on the floor; when is the School Committee going to vote on it? At that point it's part of it. The purpose of this work session was to give the opportunity to discuss the numbers of the subcommittee, to discuss everybody's issues with the subcommittee's reports, apparently to discuss people's absenteeism and all of that issue on the report and any issues regarding the report. I think we've done that; I think there are probably millions of other numbers that we can discuss. Joe is here. Steve is here. They did an admirable job defending their numbers. Janice and Paula and myself did a decent job with respect to what the actual numbers are and I think this last two hours have proved to be a very good opportunity; we heard from Joel and Arthur; I think it was a perfect opportunity to educate us. Unfortunately we don't have Stephanie here who is another valuable member of the School Committee. Fortunately we have the two new members of the School Committee here which I think to a logic extent, we have to defer to them because this is going to be their burden come January and we go from there.

Mr. Bloom: It would be my suggestion that we put a date to this. The report has been issued for two months now. This is now in

everybody's packet. Most of the information in there is not going to change. There are things that need to be incorporated. The sooner this gets out on the street; the sooner this committee can be in a position to start making some decisions. We may find out that the pricing is so incredibly high that we don't even need to have a discussion. The longer we wait to pull the information together, the more difficult it is for this School Committee to address the issue of how to best replace the fleet regardless of what it is.

Mrs. McFarland: I just think we need to have a proper RFP.

Mr. Bloom: I agree. The one in the packet today includes some new information. I think this committee ...I'm not talking about who hasn't looked at it or not.

Mrs. McFarland: None of the new information that's been incorporated is underlined and in my profession when you change a document, you underline new language so that you can actually know that that is new language. I don't have an underlined document so that means I have to go through and search and compare each document.

Mr. Bloom asked Mr. Balducci if he would get an underlined document to the committee at which Mr. Balducci answered he would.

Mr. Zisseron: I have a real issue in what Mr. Bloom is suggesting. We've gone over an awful lot of stuff; a lot of....they RFP'd the basic. It may be alright. The format has to be changed around. And today, December 4th, in one month you want it out there; I have an issue with that. I don't think that there should be a time line. I think that the point has been made that you have a new City Council; you have a new School Committee; I think they're the ones that have to decide.

Mr. Bloom: We have students that have been driving on the same buses now for two more years.

Mr. Zisseron: Show me the record of safety. At this time Mr. Zisseron and Mr. Bloom had a heated discussion in regards to this issue. Mr. Zisseron reiterated that the buses are safe and asked Mr. Bloom to not say they are not.

Mr. Bloom: We made a commitment to get this addressed and all we keep doing is finding excuses to push it out.

Mrs. Ruggieri: Again, the subcommittee including you should be taking some of the responsibility for the push off considering it took two years. I would like the subcommittee to own that. I think that there's a couple of things we need to put into play at the same time and I think that one of them is we need to look at Paula's suggestion as far as what the City side would be willing to do as far as buses. Or, even going back to the administration and seeing what they would

be willing to do because they've never come back to say "yes" or "no". Nothing ever went out that was a formal, "We would like to see; Ok here is what we are willing to work with you at". Number two: I think that on our end we need to start looking at getting some realistic figures as to what it would do to our operating budget if we were looking at leasing. I would like to include at some point in that, what our costs would be with a full day kindergarten because I think not only do we have to look at the cost increases with all day kindergarten, we also have to remember that it increases our student population which also increases our budget numbers because of the Fair Funding Formula. That's a piece that needs to get looked at. As far as this RFP, I do think that we need to go back and we need to look and tailor it to say exactly what it is that we are looking for because as far as I'm concerned when I read this RFP, it pretty much read to me exactly like the old RFP and I'm looking at the age of fleet vehicles and fleet replacement as a perfect example and they are still out there talking about vehicles that are 7 years old. So, your concern with the safety of vehicles and everything else is a legitimate concern but when we're talking about privatizing a fleet and giving up the fleet that we own, we should be doing it for buses that are better not buses that are comparable to what we could get on our own because once we give up those buses, there's no going back. When you look at what we've done with some of our programming; forget getting buses at any point if we give up our fleet without making sure that what we're getting for in return is something of long term value. You want to talk about sustainability; and I do agree with Joel when I

say that our buses may be old but they are well maintained and you look at our safety records and you look at our accident records and you look at all these things. You have to put all of these things into account. I think that when we go through this RFP, we should be going through it and going through it with the new members and anybody else who wants to do who has a hand in it and has a better understanding of it than any of us sitting at this table on this School Committee. I think that needs to come into play when we're sending this RFP out.

Mr. Lombardi: I want to make two comments: One, I chaired the subcommittee to the extent that when I chaired the subcommittee, there was always a chairperson at the subcommittee meetings and I'm not going to lie to you and say that I was there for every one; I wasn't. My schedule doesn't dictate that I can be there for every subcommittee...but Paula was there every time I wasn't there but for that last meeting which was really a ministerial act. We had already approved that report and it was just being submitted on that last meeting. A discussion ensued in regards to the last meeting.

As far as the length of the time it took for the subcommittee, I must say that there were a lot of factors involved in that and most particularly with me; my issue was always with the City Council. I thought it was absurd for us to be going on this 10 year frolic and have the City Council ask us to go on that 10 year frolic and not have members of the City Council present at the meetings. It was obvious that when they were here, they were not here anyway. They provided

us with little if any guidance at the meetings. It was an eclectic group of people. Any time you have management and labor in a room it makes for fireworks. Anytime you have government andit makes for time consumption and it does. That's not an excuse but you know we're undertaking a herculean task which I don't think has an answer.

The 10 year study is absurd but we undertook the task and I think that the time commitment associated to it reflects all of those variables.

The second thing that I want to say is my wish as I depart this committee is that whatever we do from this day forward, December 4th forward, all of the information except for Executive Session information, be provided to our two new School Committee people because they're going to be forced to hit the ground running in January. In fact I would urge that they get a compilation ofI have this folder that I call the Transportation File. I think that there should be a communication made to the City Council to find out; get some direction from the City Council in terms of what their expectations are now that they've changed. We can do that and formally because we know who they've elected as president; they have a new Vice President; they have a new Majority Leader who happens to be one of the people that was supposed to be at all of these meetings and was not. That's just my suggestion going forward.

Mr. Bloom: The City Council did address this issue in some respect. There was a resolution that was passed. It came by the Finance Committee and went through Mr. Archetto who had proposed it

authorizing us to spend \$500,000 on buses. It was not in their budget; it was a resolution authorizing us to spend \$600,000.

Mr. Zisseron: It was \$600,000 and it did pass in the spring.

Mr. Bloom: One suggestion I want to make in terms of the process; what certainly lengthen the whole process was the formation of the subcommittee and the inclusion of members from the City Council. It would be my recommendation that the School Committee hold to this issue, finalize the reports themselves; the information themselves and then put it in the public's hands.

Mrs. McFarland: I'm going to add to that the City Council under the direction, only because I served with John Lanni, I think the preference for me would be that we finish our work here and then we have some formal kind of meeting with the City Council because John Lanni, as the Council President again, will not look kindly on the fact that we go out to the public and put their backs to the wall. He doesn't work in that manner. Tony Lupino may have tolerated it as the Council President but I worked with John and he will not tolerate it. John will voice right back at us and I think our best effort is to try to work together; try to be collaborative in going forward and not have to be so divisive. I'd really like to work with everybody from the Mayor's office to the Council to really come up with the best plan. I'm not saying what I'm choosing but we need to do the best we can to make sure that we provide for our students and we plan for the future

and we have to look at the future. I want to plan for whatever direction we are moving into. Whether it's January 15th or its March 15th it's not going to make much of a difference but I'm willing to work on changing the RFP. I'm putting it on the record, "I'm committed to doing that. I'm willing to be at the table to do that." As long as we have planned meetings that we don't just say they want to plan a meeting at random. A planned meeting so that everybody knows. There has to be comments that people sit down and in-put ...Joel gave us in-put, the Superintendent, I'm sure has in-put, Joe has in-put. The two new members will have in-put. As Mr. Lombardi referred to, at the end of the day, you two leave and two new members come on; there are only three of us left that can even discuss this issue. There's only three of us sitting at this table; I would prefer to have five of us sitting at the table so that we can come to an agreement on this issue. My timeline looks more like March, April the worst scenario. We're sworn in on January 7th. I leave to go out of town; I won't be back until January 16th. Anytime after that point I'm more than willing to sit down and work and go on that.

Mr. Bloom: I know that when I make a priority on something, it wouldn't take me three months to go through a 20 page document and make comments. One of the biggest criticisms around this table has been the age of the data. A lengthy discussion ensued with several people speaking at once. Mr. Bloom and Mrs. McFarland disagree on when an RFP can be done.

When asked if they would like to be part of this issue, the two new members of the School Committee noted that they would like to be part of this; they will sit at the table with this committee.

Jeff Gale: If I'm going to making a decision, I would like to have the time to take a look at all the information at a minimum of at least one month from the day I'm sworn in. Never mind the budget system. We need some time; if we're going to be involved in it I think we will need some time.

Mr. Lombardi: Are there any other issues regarding the Transportation.

Mrs. Ruggieri: I just want to say, as far as looking at this RFP, when we look back at the original RFP that we put out, I think it was incomplete and I think that if we have learned nothing from that, we need to go back and make sure that the next RFP we're putting out is a complete one so that when we do get bids back, it's real. When a company comes in and says to us, "We're giving you new buses", because that's what was put in the RFP and then they come back to us and say, "They are really not going to be new", they're going to know that that bid is not going to be accepted any longer because we're asking you for new buses and if you can't provide us with new buses then please don't bid. These are some of things that when we did this the first time around were missing and I think it's one of the

reasons that we've had so many problems. I think that when you're not dealing with real numbers then you can't make a real decision and that's been my frustration going back years with this whole thing.

When we got things they weren't accurate; when we got them back, they weren't accurate; when we asked for things they weren't accurate and I'm stillI'm not saying that I have made up my mind one way or another because I haven't for the exact same reason I didn't make it up in the first place three or four years ago is because I still hadn't been given any good data to help me make that decision.

Mr. Lombardi asked if there were any other comments on Transportation.

Mr. Jordan: All I have to say to this committee is I tried to attend as many meetings as I could. I was ill in the middle of it. I respect everybody's busy schedules so I understand that it's tough to put people in the room especially in the summer no matter how important the issue; people have different jobs, schedules, families, so it's tough for any group of people to put them all at the same time. All I can tell you is that I've had a lot of experiences with RFP's and I'll tell you this, Mr. Bloom, the most important thing is that the RFP as a taxpayer; not as a union guy; that that RFP that you're going to put together reflects exactly what the needs of the City are and what they're getting right now. If you rush that and you don't have that you're going to go around this merry go round for ever. It makes my life easier when you rush to it and the RFP doesn't even reflect what

the people I represent do. It's easy for me to put holes in you. But if you take the time and do it the correct way and really talk to Mr. Zisseron and talk to the people, i.e. guys and woman driving the bus, and find out exactly what services you're currently getting; what the real cost is. I had some frustration too, Mr. Bloom. I gave information about a school district that saves over half of a million dollars a year doing it themselves; I bet that no one called them. I provided phone numbers, e-mails, etc. but it was too good so no one wanted to hear it. You'd think it was some pipe dream that the union made up. I'm just telling you as a taxpayer that RFP's must reflect what you're going out to bid. It's like going to a repair shop to fix your car; you have to tell them what you want fixed or they will only fix what they feel like and charge you for it all. That's the bottom line.

RFP's; look what happened last time. You need, as a committee, to sit down and say here's what we really need and we owe to the tax payers and to our students and we're going to make sure that our t's are crossed and our l's are dotted. Right away it was unrealistic to think that someone is going to do...you're transporting children to hockey games, to here, there, on all sorts of nights and weekends and we're going to get someone to do that for \$20,000 to oversee what your contractor is doing. No benefits; even a retiree desperate for money; it's going to be tough. Don't forget it runs in the summer. We have to have a legitimate understanding of what that Transportation Department does on a daily basis and what services they are providing. All of the things that we discussed. I put a lot of time into this and the union spent a ton of money on it so they're

frustrated too because they want to end this too. As a taxpayer, I'm just telling you not to rush into an RFP because you got some kind of a deadline set down and decide. If you throw a bid out there it will come back to you as a problem.

Mrs. McFarland reiterated that she is committed to going through the RFP with everybody whether she ends up with a subcommittee where she chairs it again or they just end up with a committee meeting where we do a work session and we do nothing at that work session but go line item by line item. It's one thing on our agenda. It's a work session night.

Mr. Lombardi noted that Mr. Jordan articulated it well.

There being no further comment on the Transportation issue the public work session was adjourned.

Executive Session Minutes Sealed – December 4, 2012

Motion made by Mrs. McFarland, seconded by Mr. Bloom and unanimously carried to seal these minutes.

The meeting adjourned at 7:15 p.m.

Respectfully submitted,

Frank S. Lombardi
School Committee Clerk